



**Testimony for Hearing of the U.S. House of Representatives Subcommittee on Social  
Security  
Committee on Ways and Means**

**Thursday, April 14, 2011**

STATEMENT OF J. PATRICK BOYLE, PRESIDENT and CEO,  
AMERICAN MEAT INSTITUTE, WASHINGTON, D.C.

**The Social Security Administration's Role in Verifying Employment Eligibility**

The American Meat Institute is the largest and oldest meat and poultry trade association in the United States. AMI represents America's meatpackers and processors and their suppliers. Our member companies process 95 percent of red meat and 70 percent of turkey in the U.S. Headquartered in Washington, D.C., AMI monitors legislation, regulations and media activity that impacts the meat and poultry industry and provides rapid updates and analyses to its members to help them stay informed. In addition, AMI conducts scientific research through its Foundation, a 501(c) (3) organization, designed to help meat and poultry companies improve their plants and ensure the safety of their products.

The U.S. meat and poultry industry generates over \$832 billion in our nation's economy representing 6 percent of GDP and employs more than 500,000 workers. The industry strongly supports efforts to achieve a practical and functional worksite electronic employment verification system and necessary tools to secure our nation's borders.

The U.S. meat and poultry industry is a strong advocate for the E-Verify program and supports its mandatory application, as long as it provides mechanisms for improvement as recommended below. Such a mandate should be phased in with universal participation over several years to better enable the government to administer the program, and launch a biometric component directed at eliminating identity theft on a pilot voluntary basis.

AMI's Members Have an Extensive History of Voluntary Use of E-Verify and Its Predecessor Basic Pilot Program

AMI's members have been in the forefront of the efforts to bring integrity to employment authorization verification process enacted by Congress in the Immigration Reform and Control Act (IRCA) in 1986. After it became apparent that the paper-based employment authorization process was woefully inadequate to screen out fraudulent employment documents, Congress enacted the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) in 1996, establishing the Basic Pilot telephonic and electronic employment verification program. This

program was voluntary and was intended to screen out fraudulent social security numbers and alien work authorization documents provided by job applicants to employers at the time of hire.

In the mid-1990's, AMI members in the Midwest had their meatpacking operations disrupted when they were audited by the Immigration and Naturalization Service (INS) and informed that many of their experienced employees who were vital to their operations had provided fraudulent documents. These employers, in compliance with the paper-based employment verification procedures enforced by INS, were unable to screen out those who provided invalid work authorization documents. While AMI members typically were not cited by INS for violating the immigration laws, they had to terminate large numbers of employees in whom they had invested substantial training costs, they also suffered economic losses due to worker shortages.

Given these enforcement efforts, many AMI members took steps to more carefully scrutinize employment authorization documents and, ironically, faced discrimination charges under the unfair immigration-related employment practice provisions of IRCA for being too vigilant in seeking to employ legally authorized workers. Needless to say, AMI members were and continue to be frustrated by the vise in which they find themselves in trying to comply with IRCA's inherently contradictory provisions. Employers are required to walk an impossible legal tightrope due to the law's failure to provide "bright lines" for compliance.

AMI and its members took the initiative to address this problem by successfully urging Congress in 1999 to extend the scope of the Basic Pilot program beyond the original five pilot states to include the State of Nebraska, where many AMI members are located. This enabled a number of meatpacking companies to enter into agreements with INS to participate in the Basic Pilot program.

#### E-Verify Is Only Partially Effective. It Does Not Effectively Address the Problem of Identity Theft Involving Social Security Card Information Stolen from Others.

The experience of AMI members participating in the Basic Pilot and E-Verify programs has been mixed. The electronic verification mechanisms of the E-Verify have screened out a number of unauthorized workers at the point of hire and the mere fact that a company is participating in the program deters many individuals from even applying for work. The program, nonetheless, is only partially effective. It does not effectively solve the problem of identity theft, through which individuals who have stolen the name and social security or alien document numbers from their rightful owners who are authorized to work use the stolen information to gain employment. The system cannot determine whether the person presenting the name and document number is the person to whom they relate.

In addition, there are delays by DHS in updating its databases to include the most recent change in status of aliens. These delays can result in an employer receiving false information regarding whether an individual is or is not authorized to work. "Real time" updating of alien status information is critical to the effective functioning of the E-Verify program. It is costly and administratively burdensome for employers to hire and train an individual whom it believes is authorized to work, only to be later informed that a mistake was made and to have to terminate the individual.

Moreover, the E-Verify program does not have the ability to determine through its access to the Social Security Administration's (SSA) database when an individual's name and social security number are being reported by several employers at the same time, especially when the employers are not located in close proximity to each other. Such information should be more

effectively acquired and used to target individuals seeking employment who are engaged in identity fraud.

Unfortunately, the problem of identity theft is widespread and, notwithstanding the extensive use of the E-Verify program by meat and poultry processing companies, it has resulted in the continued disruption of AMI member companies.<sup>1</sup> There have been a number of highly publicized raids of well-known meat packing companies, including AMI member companies, that are participating in the E-Verify program and that have worked closely with DHS in attempting to comply with the law. DHS apparently targeted these companies upon receipt of information that a number of employees had engaged in identity theft. The raids of these companies have been devastating, resulting in significant disruptions of their operations and losses on the millions of dollars. The use of the E-Verify program by law-abiding companies that went the extra mile to seek a legal workforce has not served them well. It will continue as an inadequate system until Congress takes steps to correct its deficiencies.

#### Industry Position/Recommendations

The U.S. meat and poultry industry strongly supports a practical and functional worksite electronic employment verification system and necessary tools to secure our nation's borders. Inclusive or exclusive of broader immigration reform, the industry supports modifications and a phased in mandate of E-Verify. Several changes can be made to the current E-Verify system to improve the accuracy of results and lessen the burden on employers and employees.

First, employers must be given the tools to determine employee work eligibility. To combat true-identity theft, SSA and DHS must be required to inform employers if an employee's name and SSN are not only legitimate but – whether they are being used in multiple places of employment by persons who have stolen the identity of others.

Employers must also be given the tools to determine to the best of their ability the authenticity of documents provided to them to determine work eligibility of their employees. The number of documents that are currently allowed for submission to determine work eligibility must be reduced to avoid confusion and document fraud. Ideally, a unitary card or only several cards that can be used to establish employment authorization and identity are desirable. The verification system also should utilize or be required to move toward usage of biometric technology that can detect whether the person presenting a document that relates to a real person with a valid Social Security number or alien registration card is in fact the person to whom the card relates.

To lessen the burden on employers and employees, users of the E-Verify system must be given the tools to determine in real time or near real time the legal status of a prospective employee or applicant to work. DHS and the SSA must be given the resources to ensure that work authorization status changes are current and avoid the costs and disruption that stems from employers having to employ, train, and pay an applicant prior to receiving final confirmation regarding the applicant's legal status.

---

<sup>1</sup> In past testimony before this Subcommittee, Richard Stana, Director of Homeland Security and Justice, Government Accountability Office, testified that the prevalence of identity fraud is increasing, "a development that may affect employers' ability to reliably verify employment eligibility in a mandatory EEV program. The large number and variety of acceptable work authorization documents...along with inherent vulnerabilities to counterfeiting of some of these documents may complicate efforts to address identity fraud." "Hearing on Employment Eligibility Verification System," Subcommittee on Social Security, House Committee on Ways and Means, June 7, 2007.

To protect employers and encourage participation in the system, employers that comply with electronic employment eligibility verification requirements must be provided protection from discrimination lawsuits resultant from such compliance. This will require that the legislation establish clear-cut standards for use of the verification system and protection for employers from discrimination charges if applicants or employees are not hired or terminated after compliance with such standards.

Finally, Congress should mandate E-Verify for employers once these changes are addressed, phasing in universal participation over several years to better enable the government to administer the program, and launch a pilot biometric component directed at eliminating identity theft on a voluntary, fee for service basis.

Finally, we strongly urge that mandatory federal E-Verify legislation preempt state and local laws. There should be one clear-cut standard of compliance. Many AMI members operate in many states. The costs and difficulty of complying with multiple and differing state and local “E-Verify type laws” is frustrating for AMI’s members.

We appreciate the opportunity to submit AMI’s views on this subject, and your efforts to improve the electronic employment verification system. A practical and functional worksite electronic employment verification system is vital to achieving a stable, legal workforce and necessary to secure our nation’s borders. The meat and poultry industry strongly supports your efforts to develop such a system. Thank you again for your time.

Name: J. Patrick Boyle, President & CEO, American Meat Institute

Organization: American Meat Institute

Address: 1150 Connecticut Avenue Northwest

12th Floor

Washington, DC 20036

Phone Number; (202) 487- 4248

Contact E-mail Address: [bbeshears@meatami.com](mailto:bbeshears@meatami.com)

Title of Hearing: Social Security Administration's (SSA's) Role in Verifying Employment Eligibility